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NEWS RELEASE

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FOLSOM COUPLE SENTENCED FOR DEFRAUDING CAL WORTHINGTON AND EVADING FEDERAL TAXES

SACRAMENTO--United States Attorney McGregor W. Scott announced today that SUSAN MICHELLE PRUETT, 39, and KENNETH R. PRUETT, 45, of Folsom, were sentenced today by United States District Judge Lawrence K. Karlton to 51 months and 21 months in prison, respectively. On July 31, 2007, MICHELLE PRUETT pled guilty to mail fraud and three counts of tax evasion, and KEN PRUETT pled guilty to the three tax evasion charges. According to court documents, the mail fraud charge stemmed from MICHELLE PRUETT's embezzlement of \$756,139 from her employer, Cal Worthington, when she was a bookkeeper at Folsom Imports. The couple failed to report the embezzled funds as income on their federal tax returns for three years, resulting in the tax evasion charges. The court ordered MICHELLE PRUETT to repay Worthington the money she stole from him, and ordered both PRUETTs to pay restitution to the Internal Revenue Service of \$133,807.

This case is the product of an extensive joint investigation by the Internal Revenue Service, Criminal Investigation Division, and the Federal Bureau of Investigation.

According to Assistant United States Attorney Samantha S. Spangler, who prosecuted the case, Judge Karlton found that MICHELLE PRUETT had abused the trust Worthington placed in her to manage his accounts and sentenced her to the top of the guideline range. Spangler also said that the Department of Justice will take steps to give to Cal Worthington - in partial satisfaction of MICHELLE PRUETT's

restitution obligation - the nearly \$500,000 in funds seized by the IRS after she won the million dollar grand prize in a video poker tournament.

Judge Karlton also imposed a restriction on KENNETH R. PRUETT that he not be allowed to work in a fiduciary capacity unless the Probation Officer has verified that he has fully disclosed his criminal history to the potential employer. Judge Karlton found that giving Mr. PRUETT fiduciary responsibilities without this condition would create unnecessary risks for potential employers.

According to Scott O'Briant, IRS-CI, Special Agent in Charge, "Today's sentences are a reminder that those who intentionally conceal income and evade taxes will be prosecuted. The IRS takes its responsibility to investigate fraud schemes such as these very seriously and will continue to work closely with other law enforcement to solve these types of crimes."

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